

The complaint

Miss M complains about the service provided by M & G Securities Limited ('M&G') when it took longer than it should've done to transfer the proceeds from a sale of shares into her bank account.

To put things right and properly reflect the impact on her of its admitted poor service, Miss M would like more compensation than M&G has agreed to pay. She wants redress to reflect fair compensation for personal distress and inconvenience and financial loss including:

- the fund share price increasing in value during the 3 weeks she had to wait for the funds to be transferred into her account, and
- movement in the exchange rate which meant she lost out when the sterling price fluctuated negatively
- she said she'd also lost money from her wages due to missed time waiting on the phone and making calls to M&G.

What happened

It took around three weeks for M&G to release the proceeds from a sale of shares to Miss M's bank account after she had placed a withdrawal on 8 August 2022. During this time, Miss M had many phone calls with M&G and she spent several hours on the phone trying to find out what was happening and getting the matter sorted out.

M&G agreed that it didn't provide a good enough service on this occasion, which meant Miss M had to wait longer than she ought reasonably have had to wait to receive her sale proceeds. M&G explained that in April 2022, it had been advised of Miss M's new address. Previous bank account statements received in 2016, 2017 and in May 2020 held different address details to those registered on the account in April 2022. M&G is required to verify bank details electronically if possible and it tried, unsuccessfully to do this. This meant that Miss M needed to send in a more recent bank statement, which M&G received on 15 August 2022. It was then referred internally for confirmation it could pay out the proceeds to a non-UK bank account.

M&G upheld Miss M's complaint on the basis that it should have explained to her when she placed the withdrawal that it would need to verify her bank account and it should have asked her then to send in bank verification at that early stage which might have avoided some of the delay that followed. By way of an apology, M&G paid Miss M £100 compensation as a gesture of goodwill.

Miss M felt this offer fell a long way short of fair compensation to properly redress M&G's service failings and she brought her complaint to this service.

When our investigator looked into what happened, he felt that an amount of £300 in total was fair compensation overall.

M&G agreed to pay a further £200 compensation in line with the investigator's recommendation. Miss M didn't agree with the investigator. She highlighted the following

main points of concern in support of her view that M&G should pay her £500 additional compensation:

- M&G's lack of professional customer service and lack of knowledge of the reason for the delay
- lack of communication
- lack of care and respect for her, bearing in mind that she'd been a client for over 30 years
- lack of basic common sense regarding international banking
- lack of any consideration for the urgency of her personal circumstances.

As the complaint hasn't been resolved informally, it comes to me for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'd like to reassure Miss M that I've looked at the complaint afresh. Having thought about everything I've seen and been told, I've independently reached the same conclusions as our investigator.

The background facts are not in dispute and M&G has upheld Miss M's complaint so I don't need to say more about what happened. I agree that Miss M was entitled to expect a better level of service from M&G than she experienced. In my decision, I will concentrate on the question of fair redress, which is the main concern now and the reason Miss M has requested an ombudsman referral.

I can completely understand that what happened was very upsetting and frustrating for Miss M. The sale of shares was prompted in the first place by a large and unexpected bill that urgently needed to be paid and the delay and difficulty she encountered was a shock – Miss M said she hadn't had this problem before.

I can tell M&G to pay compensation or take other steps to put things right if I am satisfied that M&G did something wrong or acted unfairly or unreasonably and this caused Miss M some detriment and/or financial loss.

I've taken carefully into account what Miss M has said about how everything affected her – and I can tell from the call recordings that I've listened to that this was a seriously upsetting and distressing experience for Miss M. It's only fair that the compensation she receives properly reflects the impact on her of M&G's service failings on this occasion. To my mind, this should include not only M&G's failure to flag up the need for verification of her bank details sooner but also the fact that Miss M had to keep chasing for information and updates on the phone.

But I must be impartial and also think about things from M&G's point of view.

I've also kept in mind that M&G was required to complete a verification check and it had to follow its process for doing this. And broadly speaking, it seems to me to have carried out the steps it needed to take within a generally reasonable timescale. Possibly it could have done things a bit more quickly and Miss M could have had her money a few days earlier than in the event happened – but this doesn't affect the outcome. I haven't seen enough to show that M&G delayed, unreasonably or to any significant extent, carrying out the checks it needed to do.

M&G's main failings, so far as I can see, are that it failed to warn Miss M in advance what would need to happen and it didn't take the initiative to keep her fully abreast of developments, when it knew she was already very worried about how long things were taking, so adding to her stress and anxiety.

Looked at overall, keeping in mind the small exchange rate loss which M&G should redress (which M&G has accepted) I find the £300 suggested by the investigator reflects the level of award I would make in these circumstances had it not already been proposed.

I don't doubt that M&G's poor handling of matters caused Miss M significant distress and inconvenience but I think a payment of £300 overall is in line with the amount this service would award in similar cases and it is fair compensation for Miss M in her particular circumstances.

I understand that Miss M wanted extra to cover costs she incurred dealing with the complaint and she mentioned the change in fund value, but I don't think it would be fair to ask M&G to make any additional payment. I haven't been provided with anything to show she incurred any actual financial loss (beyond the loss on currency conversion which the redress awarded already covers). And we don't generally award compensation for time spent dealing with a complaint as this is considered to be part and parcel of the complaint process, bearing in mind also that the industry regulator, the Financial Conduct Authority (FCA), says our service can only look into complaints about regulated activities, and complaint handling isn't a regulated activity.

If I have not referred to everything mentioned during the course of this complaint, that's because I've concentrated on what seems to me to be the core issue I needed to address – essentially the question of fair redress. This reflects the fact that we provide an informal complaints handling service as a free alternative to the courts. I hope that setting things out as I've done is helpful and even though this isn't the outcome Miss M hoped for, she will feel that her complaint has been fully considered by the Financial Ombudsman Service.

Putting things right

To put things right for Miss M, M&G should pay redress amounting to £300 in total – so to be clear, if it hasn't already done so, it should pay Miss M a further £200 on top of the £100 compensation it has paid already.

My final decision

I uphold this complaint and direct M & G Securities Limited to take the steps set out above to put things right for Miss M.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 21 July 2023.

Susan Webb
Ombudsman